

# Ruling by decree: Trump interrupts golf game to issue executive orders

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Donald Trump at his Bedminster, N.J., golf club, Aug. 7. He'd gone on vacation because the stimulus negotiations with Congress had stalled.

## No relief in sight

On Aug. 7, President Donald Trump interrupted his game of golf at his course in New Jersey to announce four executive orders he says will provide economic relief for struggling workers who have lost their jobs as a result of the pandemic and depression-level unemployment. So far it's unclear exactly when or how that will happen. It is clear that none of it would provide any kind of relief for more than a few weeks at most.

Trump has been ruling by decree ever since he took office, never even pretending to propose bills to Congress, the mythological way that a president is supposed to act in the U.S. Actually, U.S. presidents have been ruling by decree at least since the end of World War II, when the functional power to declare war was assumed by President Harry Truman to send troops into a war on Korea. Executive orders have almost replaced laws enacted by Congress.

There have been constant wars since the 1950s, but none of them authorized by Congress. Presidents have been ruling by decree. George W. Bush issued 291 executive orders in 8 years, the most of any U.S. president. Bill Clinton issued 254 and Barack Obama issued 276. The previous presidents were not as open about it as Trump has been. Trump has issued 177 executive orders as of August 3 and his term has another 5 months to go.

The U.S. Constitution, however, authorizes only Congress to declare war and only Congress to establish laws. The president is supposed to "execute" what Congress has passed. They call it the rule of law over the rule of a supreme commander or monarch.

Congress — and, in particular, the House of Representatives — also has the "power of the purse," the ability to tax and spend public money for the national government, not the president. Instead we have rule by decree which appears to now include

taxes and spending.

## On Trump's executive orders offering "relief"

### 1. \$400 ... \$300 .. \$??? disappearing unemployment benefits

Instead of actually extending the \$600 supplemental federal unemployment assistance that unemployed workers have been receiving weekly under the CARES Act that Congress passed in March, Trump claimed his executive order would give \$400 in weekly assistance. Funding is to come from \$44 billion in disaster relief funds from the Department of Homeland Security.

Trump had said in his announcement that it'd be \$400, but on Aug. 11 the Washington Post reported: "President Trump's senior aides acknowledged on Tuesday that they are providing less financial assistance for the unemployed than the president initially advertised ... the maneuver only guarantees an extra \$300 per week for unemployed Americans."

Even that amount is being questioned, as most of the \$44 billion disaster relief funds may have already been spent.

State unemployment benefits are frightfully low, an average of \$378 weekly. It's a starvation rate, and only half of what federal guidelines say is the poverty level for a household of four. Most states provide 26 weeks of state unemployment insurance, but for workers who lost their jobs during the major business shutdowns in March and haven't been able to return to work, that will run out this month or next.

The federal weekly \$600 payments that went to unemployed workers in all states expired on July 31.

Trump's executive order goes outside the usual unemployment insurance system, so something new has to be established that will likely take months for states to

implement.

Even if it is implemented, the jobless benefits won't go to those in greatest need. Only the unemployed who are receiving more than \$100 a week in state unemployment insurance are eligible for the federal aid. That means that those at the bottom of the income distribution — particularly workers who rely on tips and the self-employed — will get no federal benefit at all. Those workers are estimated to be at least 15 percent of those who've lost their jobs since March.

## **2. Payroll tax “holiday” could gut Medicare and Social Security**

One of Trump's four executive orders directs the Treasury secretary to defer payroll taxes through the end of the year, with the media calling it a payroll tax holiday. The payroll taxes fund Medicare and Social Security.

Payroll taxes are paid by both employers and workers, each contributing half the total. The deferral means it has to be paid later to the Social Security and Medicare trust funds, by the end of 2021.

Trump says he wants to make the deferral permanent, after he gets his re-election in place. “Permanent” means the trust funds would never see the money restored. That would mean an end of the Social Security and Medicare programs.

Also, if workers have their tax “deferred,” that would show up as a wage “increase” to the IRS, meaning higher income taxes to be paid in April 2021.

## **3. Order on evictions and foreclosures is all smoke**

As many as 40 million face eviction by the end of the year, according to researchers in a paper published Aug. 7 by the [National Low Income Housing Coalition](#).

Because of the massive job and income losses in the pandemic, anywhere from 29

percent to 43 percent of all renter households in the U.S. face eviction, the researchers wrote. In some states, including Mississippi and Louisiana, more than half of all renter households could be at risk.

Trump's housing executive order is the most meaningless of the four. It simply says it is important to keep people in their homes during the pandemic, particularly so they can successfully socially distance themselves from others and prevent the spread of the novel coronavirus.

"It is the policy of the United States to minimize, to the greatest extent possible, residential evictions and foreclosures during the ongoing COVID-19 national emergency," the order says.

The executive order does not actually prohibit any evictions or foreclosures.

The CARES Act included a 120-day eviction moratorium for renters who were living in a property with a federally guaranteed mortgage and for renters in federal housing assistance programs. That moratorium ended on July 24. In addition, the Center on Budget and Policy Priorities estimates that the federal moratorium didn't cover approximately 31.4 million renter households, so there were thousands of evictions during this moratorium period.

The CARES Act also provided foreclosure relief for owners of single-family homes which had a federally guaranteed mortgage. The Federal Housing Finance Agency had extended that program, but it ends on Aug. 31.

#### **4. A short student loan deferral**

The CARES Act help for student loan borrowers was set to expire at the end of September, so Trump's order extends his policy to set the Department of Education loan interest rates to zero percent and let borrowers defer payments through the end of 2020. Or possibly earlier, as the order says: "It is therefore appropriate to

extend this policy until such time that the economy has stabilized, schools have reopened and the crisis brought on by the COVID-19 pandemic has subsided.”

What determines the economy has “stabilized”? Do all schools have to reopen, or just a few?

